## **City Finance Committee Minutes**

## June 8, 2013

City Council Chambers – 8:00 AM

Present: Mayor Bouley, Councilors Blanchard, Kretovic, McClure, Grady-Sexton, Werner, DelloIacono, Coen, St. Hilaire, Shurtleff, Bennett, and White-Bouchard.

Excused: Councilors Nyhan, Patten, and Keach

The Mayor opened the meeting at 8:07 AM. The Mayor stated that this meeting was to review the FY 2014 proposed Public Safety budgets, including Fire, Police and the Parking Fund; the General Services budgets; and the Arena, Solid Waste, Water and Wastewater budgets.

On a motion made and seconded, the draft minutes from the June 3, 2013 Finance Committee Meeting were unanimously approved.

The meeting was then turned over to City Manager Tom Aspell for review of the FY 2014 budget.

**Public Safety:** Manager Aspell indicated that, budget to budget, Public Safety appropriations are up 5% overall. He also noted that Public Safety represents 49% of the entire General Fund budget, minus debt service and capital outlay.

<u>Fire Department:</u> Manager Aspell indicated that revenues are projected to come in over budget by 11% or \$244,000. Revenues are projected to increase 6%, budget to budget, primarily due to greater revenue in dispatch service and ambulance service charges. Appropriations, budget to budget, are up 4% or \$479,000. The appropriations increase is due to increased retirement costs, increased compensation costs, and funds for additional supplies. Recommended funding changes include a reduction of \$90,468 to eliminate a vacant firefighter position and the addition of \$40,150 in overtime to cover vacancies as needed, resulting in a \$50,318 net reduction. Additions in the capital budget include \$535,000 to replace Engine 4; \$12,500 for opticom replacements; \$30,000 to replace thermal imaging cameras; and \$350,000 for the replacement of cardiac monitors. There is no change in services

Councilor St. Hilaire noted the elimination of three firefighter positions in three years and questioned whether overtime costs would increase. The City Manager responded that overtime costs would likely increase but noted that overtime would be less than the costs associated with a full time employee, namely health benefits. He discussed how this strategy of eliminating positions as people retire has worked well, keeping the budget in check without compromising the level of service.

Councilor Blanchard wanted to know if the new engine trucks were replacements and wondered if we were sacrificing safety by not putting Engine #1 back in service. Manager Aspell responded that the new trucks were replacements and assured her and the Council that safety was in no way sacrificed.

Councilor Bennett inquired as to the cost of the ambulance service. Manager Aspell responded he did not have exact numbers but would provide the information to him at the next meeting.

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The Mayor noted that three out of the six Fire Department goals are training related. He asked if the Department would be able to sustain that amount of training. Manager Aspell stated that training and backfill costs were previously covered by federal stimulus grant funds. He noted that that level of training would not be sustained due to the cost, but the Department is looking to have more in-house training going forward.

The Mayor also asked, on behalf of a Concord resident, if the new tower truck would fit in the fire station and if it would be able to maneuver in the snow. Manager Aspell deferred to Assistant Deputy Chief Sean Toomey who stated that, although the fit was tight, the new vehicle would fit in the station and it could maneuver in the snow.

There was a brief discussion about technology at the Fire Dept. The Mayor inquired as to the benefits of investing a small amount in IT for increased efficiency with such things as better communication with the hospital and patient safety in the ambulance, or with timecards and other manually documented reports or forms. He questioned whether the technology at this time was sufficient. Manager Aspell replied that the Fire Department has made progress recently, although there are always ways to improve, and that the Fire Department works with the IT Department to keep abreast of new technology. Manager Aspell reiterated that public/patient safety is not an issue.

Councilor McClure wanted to know if building inspections were performed annually and mandated by law, because the fire safety inspection number had increased from the prior year. Manager Aspell affirmed that all schools and places of assembly are inspected annually and mandated by law. Other places are inspected due to permit regulations and the frequency may vary. There was a brief discussion about the inspection of apartment houses as well.

The Mayor opened a public hearing on the Fire Department budget. As there was no testimony, the public hearing was closed and a motion was made and seconded to tentatively approve the Fire Department budget as proposed. The motion passed with a unanimous voice vote.

Police Department: Manager Aspell stated that, budget to budget, revenues are projected to increase 2%. As a result of a reorganization and restructuring of the Attorney General's Drug Task Force, the City has opted not to commit an officer to the task force in FY 2014. Therefore, there is no anticipated revenue in FY 2014. Appropriations in FY 2014 are up 6% or \$629,000. The increase is due to increased retirement costs, increased compensation, and funds for additional equipment. Staffing has been increased by 0.2 FTE, changing a part-time dispatch position to full-time. Recommended funding changes include a reduction of \$165,000 by managing existing vacancies. The budget includes the replacement of five police vehicles and \$60,000 for Phase 1 of 3 for improvements to the police firearms range. There is no change in services.

Councilor Blanchard asked if there has been an increase in gang activity. Chief Duval responded that most gang activity is primarily operated within the walls of the State prison and the City is working collaboratively with law enforcement entities within Merrimack County in an offensive strategy to ensure that gang activity does not permeate into the community. There is still graffiti and criminal activity within the community but not by organized gang members.

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Councilor Blanchard asked how many resource officers there were in the schools. Chief Duval replied that both Concord High School and Merrimack Valley High School each have a resource officer. There is also a community resource officer located at the Police Department who is available upon request to any school, including the private schools. There is not a resource officer at Rundlett Middle School.

Councilor Werner asked if there were enough resources to meet the challenges of drug activity. Chief Duval replied that the Concord PD Drug Enforcement Unit has adequate resources to meet those challenges and works very closely with the State drug task force and other drug units within the State, i.e. Manchester and Nashua, as well as with Federal drug officers. The lines of communication are always open amongst these agencies in an effort to fight the drug issue.

Councilor St. Hilaire wanted to know if the County had a drug task force. Chief Duval replied that even though the City no longer participates in the AG's task force, Concord officers continue to work closely with all the other drug task forces including Merrimack County and the Sheriff's Office.

The Mayor inquired as to the number of vacancies and total number of officers. Chief Duval stated that there were currently 6 vacancies and 84 officers. The Mayor asked about the impact of not changing a second dispatch position from part-time to full-time. Chief Duval stated that with the increase of one dispatch position from part time to full time the dispatch center is almost at optimum efficiency. A second one would put the center where it should be. Currently, officers on temporary alternate duty fill in when needed so officers are not pulled off the street to cover dispatch. The Mayor asked why it took so long to hire qualified officers. Chief Duval explained that the hiring coincides with the Police Academy schedule and the Department's own training. He also stated the importance of hiring the right person to maintain the high standards the Department expects.

Councilor Grady-Sexton commented on how rare it is to hear of a complaint against the Police or Fire Departments and commended both Chief Duval and Chief Andrus and their staff.

As there were no other questions, Mayor Bouley thanked Chief Duval and his team and commended the Police Department on its outstanding job.

The Mayor opened a public hearing at 8:46 AM. As there was no testimony, the public hearing was closed and a motion was made and seconded to tentatively approve the Police Department budget as proposed. The motion passed with a unanimous voice vote.

<u>Parking:</u> Manager Aspell indicated that the FY 2014 budget maintains current service levels and includes funding for the replacement of one vehicle and repairs to the Firehouse Block Garage in the amount of \$35,000. Revenues overall are coming in 2.5% or \$43,000 below budget. Expenditures, overall, are coming in 4% or \$81,000 below budget. The fund was budgeted to lose \$251,000; instead it is projected to lose \$213,000; leaving a fund balance of \$73,000. Appropriations for Police Enforcement and Collections, budget to estimate, are coming in 6% or \$65,000 under budget. Budget to budget, appropriations are up 1% or \$13,000; \$30,000 is included in FY 2014 for the replacement of a vehicle. The City will be looking to reduce that cost to cancel out any increase in this budget. Revenues in Parking Operations, budget to estimate, are coming in

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3% or \$28,000 below budget. Revenues, budget to budget, are projected to increase 11% or \$100,000 for FY 2014; this is due to the transfer from reserves in the amount of \$130,000 to help offset principal and interest costs. Appropriations are flat. Appropriations within the General Services portion of the Parking Fund, budget to estimate, are 5% or \$4,000 below budget; and budget to budget are flat. Revenues for the Firehouse Block Garage, budget to estimate, are flat; and budget to budget are up 9% or \$11,000. Appropriations, overall, budget to estimate, are flat. Appropriations, budget to budget, are up 22% or \$24,000. Revenues for the Durgin Block Garage, budget to estimate, are coming in 4% or \$12,000 below budget. Appropriations, budget to estimate, are flat. Appropriations, budget to budget, are up 86% or \$141,000. Manager Aspell asked the Council to recall the \$130,000 in revenue from trust that he mentioned earlier and explained that this is those same dollars now being expended. The rest of the expense is for outside services, namely \$10,000 for elevator repairs, and the rest for sweeping. Revenues, budget to estimate, are on target for the Capitol Commons Garage. Revenues, budget to budget, are projected to increase 75% or \$230,000 due to a transfer from the Sears Block TIF, which will now pick up the costs to help offset debt service as originally planned. Appropriations, budget to estimate, are on target, but budget to budget are down 3% or \$15,000; which can be seen in the declining cost of debt service as the City gets closer to paying off the garage.

Councilor Coen asked how the upcoming construction downtown would affect parking revenues, both on the street and in the parking garages, over the next 2 or 3 years. Manager Aspell agreed that on-street parking revenues would be affected, but is hoping more people will utilize the parking garages, thus increasing parking garage revenues. Many spaces are leased so there will be no effect on that portion of revenue. The Parking Committee will be looking at opening up additional parking spaces on the south end of Storrs Street, therefore parking revenues will be shifted and slightly impacted, as the cost to park on Main Street is higher than Storrs Street. In addition, there are costs associated with the recent improvements to the Durgin and Firehouse Block garages, while the costs for the Capital Commons garage will be decreasing due to the debt maturing. The Manager noted that parking will have to be closely monitored going forward and is the reason for his proposed reorganization within the Parking Division. Councilor Coen also inquired if the changes in revenue could be identified as being directly related to the construction so that those fluctuations would lessen as the construction is completed. Manager Aspell agreed and stated that further improvements to the Durgin Block garage would be postponed so as not to eliminate major sections of parking both on the street and in the parking garage.

Councilor Kretovic questioned the time zone and meter feeding violation service indicators, which appear to have increased significantly. She asked if the enforcement process has changed. Manager Aspell replied that the process has not changed and commented that given the economy and more on-street availability, people are making wiser parking choices and the numbers of violations have actually decreased. However, increased focus on these indicators is now a priority for City staff.

Councilor Blanchard asked how many public spaces were available during the day in the Capital Commons garage and on the street, as residents have mentioned there are not enough spaces in either location. Deputy City Manager Carlos Baia responded that there are currently approximately 120 public spaces in the garage, but that number will decrease to a little less than 100 when all leases go into effect. Manager Aspell stated that there was plenty of on-street parking and stated that the lot near Hermanos Restaurant was also a public parking lot.

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Councilor DelloIacono asked whether the 33% utilization number discussed at the Downtown Complete Streets Project meetings included leased spaces. Deputy Manager Baia replied that the percentage was for public spaces; 33% of public spaces are occupied each day and 67% are available.

Councilor Werner commented that he had spoken with a number of downtown merchants and it appears that, based on those conversations, the employee parking policies vary greatly. He wondered if there was some way to create a more coherent, consistent policy for all merchants and businesses. Deputy Manager Baia stated that the public relations firm hired as part of the construction contract could address that issue. One of the City's goals with the reconstruction is to inform the public of the different parking options. Discussion followed on the different policies that businesses have and strategies used by businesses to park. Mayor Bouley stated that the discussion needed to include the upper floor businesses, as well as ground-level retail merchants.

Councilor Kretovic asked about a maintenance plan for the Durgin Garage elevator and watching out for activity that occurs in the elevator. Deputy Manager Baia stated that the Parking Division reorganization would address this.

Councilor McClure asked about the plans for improvements/renovations to the Durgin Garage. Deputy Manager Baia stated that there would be renovations/repairs to structural problems, the stairwells, or the deck membrane. Councilor McClure asked if parking location decisions, especially in the Durgin Garage, such as those at the Capital Commons Garage mentioned earlier, would be addressed in light of old leases being renegotiated to move spaces away from the more accessible entrances/exits. Deputy Manager Baia explained that his staff is working on these old leases to make these changes. Councilor McClure expressed her feeling that the Durgin Block garage should be a high priority for parking with the forthcoming reconstruction.

Councilor St. Hilaire discussed signage from Main Street to the parking garages and suggested it be looked at more closely especially during the reconstruction. He recommended providing new signage to better direct traffic to the availability of parking in the garages, particularly the Durgin Garage, which may promote additional shopping and provide easier access to parking rather than circling the block looking for street spaces. Manager Aspell stated that when the City met with the reconstruction design team that was the plan that was discussed.

Councilor Blanchard asked if the elevators in the parking garages were inspected regularly. Deputy Manager Baia responded that the State performs safety inspections annually.

Mayor Bouley stated that two out of the five goals are concerned with signage. He stated that he hopes the City will work closely with the Main Street reconstruction team to ensure that the goals are accomplished. He also suggested that the parking kiosks have much more capacity for technology than the City currently utilizes and wondered if that technology would be explored in order to provide citizens more options, i.e. phone apps that find open parking spaces. Deputy Manager Baia stated that the City is exploring this capacity but some options are not being used because the parking system is not set up to accommodate the technology. Deputy Manager Baia also stated that the parking reorganization would be addressing this issue.

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The Mayor commended the City Manager for his work with the Parking Division and the reorganization, which he feels sets the right tone for the balance between enforcement and economic development. He wondered if it was time to take the next step and perhaps transfer the parking issues to those with expertise in parking to expand the scope of parking to beyond just the downtown area. The Manager replied in the affirmative and stated the City is beginning to realize it with the development at the south end of Main Street. Manager Aspell discussed the many changes occurring and the implications for parking.

As there were no other questions, the Mayor opened a public hearing at 9:17 PM. As there was no testimony, the public hearing was closed and a motion was made and seconded to tentatively approve the Parking budget as proposed. The motion passed with a unanimous voice vote.

<u>General Services</u>: Manager Aspell indicated that, budget to budget, the overall General Services budget is up 2% or \$162,000. Budget to estimate for FY 2013 is projected to come in under budget by \$30,000. Staffing is proposed to remain the same.

For General Services Administration, appropriations, budget to budget, are down 1%.

For the Highways and Utilities Division, service levels are maintained at existing levels. General expense appropriations, budget to budget, are flat. Highway maintenance revenues, budget to budget, are up 2% or \$17,000, due to an increase in operational transfers from the TIF Districts. Highway maintenance appropriations, budget to budget, are up 9% or \$111,000. Services and supplies are up \$26,000, of which \$15,000 is for additional road striping during the year and road maintenance materials; and \$9,000 is added for the new street tree program, which was instituted last year. Sidewalk maintenance appropriations, budget to budget, are flat. Snow and ice control revenues, budget to budget, are flat. Appropriations, budget to budget, are flat. The number of budgeted downtown snow removal events remains at 7, as we budget for a 'reasonable' winter. Sidewalk plowing will continue to be performed during non-overtime hours to contain costs. Only sidewalks in the downtown area will receive snow removal services during a storm event. A move to carbide blade cutting edges continues to save us \$10,000 annually by reducing the number of cutting edges that need to be replaced. Street cleaning appropriations, budget to budget, are up 35% bringing it more in line with previous years. Storm sewer maintenance appropriations, budget to budget, are flat. Overall, the Highways & Utilities budget is up 4%.

Budget to budget, the overall Public Properties budget is flat. The Municipal Complex revenues are budgeted at \$0, as auditorium rental revenues are now budgeted in the Parks and Recreation budget. Appropriations, budget to budget, are down 2% or \$15,000. Plaza maintenance appropriations, budget to budget, are up 5%. Commercial Street facility appropriations, budget to budget, are down 32% or \$9,000, as utilities are now in the Human Services and Legal Department budgets. Recreation facilities revenues are \$0, as FY 2012 revenues were a one-time transfer used to improve the bathrooms at Memorial Field. Appropriations, budget to budget, are down 2% or \$7,000. COMF facility revenues, budget to budget, are flat. Appropriations, budget to budget, are up 11% or \$37,000.

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Vehicle maintenance revenue, budget to budget, is flat. Appropriations, budget to budget, are up 3% or \$44,000, primarily due to vehicle repair parts and additional funding for emergency repairs. The budget continues to provide for a shared Equipment Maintenance Mechanic from the Parks and Recreation Department for 12 weeks during the winter season.

Councilor Coen asked if it was too soon to see cost savings from the construction to North Main Street. Manager Aspell replied that savings are being seen because the City does not have to make emergency repairs to the roads in the spring.

Councilor Kretovic commented that the coordinated effort for the plan for Safe Routes to School is going well and she is very supportive of it.

Councilor Blanchard discussed the possibility of instituting a storm sewer fee rather than increasing the water or sewer rates. Manager Aspell noted that CIP #479, Storm Water Enterprise Mechanism, is scheduled for funding in 2016 and 2017. Funds from this fee could not be used for water or sewer needs.

As there were no further questions, the Mayor opened the public hearing at 9:33AM. As there was no testimony, the public hearing was closed and a motion was made and seconded to tentatively approve the General Services budget as proposed. The motion passed with a unanimous voice vote.

Water Utility: The Water proforma and a comparison of other communities' water rates were distributed. Manager Aspell stated that revenues, budget to budget and budget to estimate are projected to be flat. Appropriations are projected to come in under budget by 1% or \$19.000. Budget to budget, there is an increase of 7% or \$97,000. The increases are a result of an increase of \$13,000 in overhead to the General Fund and an increase of \$53,000 to Community Development Administration and Engineering, as they will be managing CIP #84 & #85 – water main projects totaling \$800,000. Together, the costs for plant/facilities operations and plant/facilities maintenance are down 8% or \$114,000. Combined appropriations for operations, distribution, repairs to mains, repairs to service, repairs to hydrants, debt service, recollectible work, cross-connection control, water lab operations and capital outlay and transfer are projected to come in under FY 2013 budget by 7% or \$204,000. Budget to budget, appropriations are up 6% or \$181,000. The main item driving this increase is the \$205,000 in principal and interest costs for bonded projects – the largest of which is Phase I of the Loudon Road water main project. Manager Aspell noted that the water rate has been increased four times since 2001. At this time last year, we projected a \$315,510 planned loss in position; however, based on current estimates, the projected loss is \$129.055. Debt service costs have increased by \$205,000 due to continued reinvestment in the City's infrastructure - namely the plant and distribution system. Manager Aspell reviewed the CIP projects proposed for the Water Utility Fund. Manager Aspell noted that, at this time last year, we were looking at a 2.5% rate increase for FY 2014, which is the current recommendation. This rate increase, however, is projected to result in a \$477,000 loss to the fund. The ending working capital after this projected loss, would still be within the parameters established by City Council. Appropriations, overall, are programmed to increase 2.8% or \$164,000, and debt service is up \$205,000.

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Councilor McClure mentioned the Urban Growth Boundary in which the City is trying to focus its infrastructure and she wanted to know if costs have been kept low due to concentrating development within that area. Manager Aspell affirmed and stated if that base continues to expand eventually will have to replace infrastructure but by focusing it all in an urban core, you actually will save money every year.

Councilor Blanchard wanted to know the last time the water rate was increased. Manager Aspell replied that the rate increased last year but before that, it was about 10 years since the last increase.

As there were no further questions, the Mayor opened a public hearing at 9:56AM. As there was no testimony, the public hearing was closed and a motion was made and seconded to tentatively approve the Water Utility budget as proposed. The motion passed with a unanimous voice vote.

Wastewater: The Wastewater proforma and a comparison of other communities' sewer rates were distributed. Manager Aspell noted that revenue, budget to budget, is projected to increase 1% or \$85,000. Appropriations for administration, metering, billing, engineering services and collections combined are up \$96,000. However, there is a \$37,000 increase in administrative overhead to the General Fund. The General Fund is reimbursed for services provided, which helps keep down the tax rate. Appropriations at the two treatment plants, budget to budget, are programmed to increase 2% or \$59,000. About half of this increase, or \$24,000, is for outside services like employee training; repairs to the elevator, roof & HVAC system; and our energy measurement & verification project. For FY 2013 we are projecting these accounts to be underspent by \$104,000. Budget to budget, pump station and vehicle costs combined, are up 6% or \$11,000. Most of this increase is due to fuel costs. Budget to estimate, these accounts are projected to come in under budget by \$15,000. Budget to budget, debt service, capital outlay and transfer appropriations, combined, are up \$271,000. This increase is due to debt service costs related to the capital improvements to sewer mains, headwall replacement and holding tank repairs. Manager Aspell noted that at this time last year, the City projected a \$25,443 planned loss in fund position. However, based on current estimates it appears that the projected net will be a \$43,257 gain. For FY 2014, there is a projected loss in the amount of \$378,558. Operations & maintenance costs are up 3%. Manager Aspell reviewed the Wastewater Utility CIP projects. Manager Aspell noted that, at this time last year, it was projected that a 4% rate increase would be needed for FY 2014. However, based on better than expected results in operations, the recommended rate increase is 2.5%.

At Councilor Coen's request, Manager Aspell provided an explanation of O & M (operations and maintenance) costs.

As there were no further questions, the Mayor opened a public hearing at 10:06AM. As there was no testimony, the public hearing was closed and a motion was made and seconded to tentatively approve the proposed Wastewater Utility budget. The motion passed with a unanimous voice vote.

<u>Solid Waste</u>: The Solid Waste proforma and a comparison of other communities' solid waste rates were distributed. Manager Aspell indicated that collection and disposal revenue, the transfer from the General Fund to the Solid Waste Fund, is down slightly at \$1.219 million. Closed landfill operation appropriations are up 30% or \$24,000. This is caused by increases in costs related to groundwater and air monitoring required by the State and principal and interest payments for the Old Suncook Road landfill cover project. Recycling revenues are flat. Appropriations are up 3%, or \$34,000, increases can be seen in collection contracts costs (\$21K), household hazardous

collection costs (\$4K), and fringe benefits costs. PAYT/refuse revenues for FY 2013 are expected to come in 9% or \$131,000 below budget. Appropriations, budget to actual, are estimated to be 2% or \$27,000 under budget. Budget to budget, expenses are planned to increase 1% or \$14,000. There is still a budget gap between PAYT revenues and expenses of \$302,000. It is important for the City to continue to move towards a balance of revenues and expenditures in this program. Commercial and other revenue is coming in 7% or \$105,000 below budget due to less commercial disposal fee revenue and is projected to remain flat estimate to budget. Appropriations are coming in 5% or \$76,000 below budget due to less tipping fee costs due to the slow economy. They are projected to remain flat, estimate to budget. Capital outlay and transfer revenues are flat. FY 2015 will be the final year of a transfer from trust for the SVMS program. Moving forward, that transfer will come from the General Fund. Appropriations are reduced by \$20,000. Manager Aspell then reviewed the proforma. FY 2013 had a planned operating loss of \$122,385. However, due to the aforementioned estimated budget results, we now look to end the fiscal year with a \$263,395 loss. Revenues, budget to estimate, are down 5% or \$235,000. At the same time, appropriations, budget to estimate, are down 2% or \$94,000. One would expect the numbers to trend together as they are dependent upon usage. Solid waste tonnage in all categories remains flat, while recycling tonnage has dipped slightly. The real cost driver here is obviously the cost per ton at the waste-to-energy plant, which is expected to remain at \$66.80. This rate is kept stable using reserves by the Solid Waste Co-op, noting those reserves are the reserves of the member communities of the co-op.

Manager Aspell recommended that the Solid Waste Advisory Committee (SWAC) undertake a review of the PAYT system in terms of both the pay structure and the collection system. Our current contracts run through the 2014 calendar year. As such, we have issued an RFP for all services going forward and we are currently analyzing those proposals. Manager Aspell noted that on Wednesday, June 12, 2013, the proposals will be reviewed by the SWAC and, shortly thereafter, we will bring forward our plan to City Council. Looking at the comparison chart, you can see that most communities have a similar structure. The issue is that consumers are filling the bags to capacity thereby purchasing fewer of them, but the price per tonnage stays the same creating the discrepancy. Manager Aspell stated he thought there were opportunities to make changes to better serve the community and the fund.

Councilor Werner questioned bag availability at the Ft. Eddy Road Market Basket. Manager Aspell replied that the Market Basket policy prohibited them from selling the bags. Councilor Werner discussed changing the structure so that carrying inventory would somehow benefit the store. Shelf space is expensive and there is no incentive to carry the bags other than promoting goodwill. He would like SWAC to address this issue. Mayor Bouley added that there are costs, i.e. credit card fees, associated with carrying the bags so the store is potentially taking a loss when customers pay with a credit card.

Councilor Blanchard questioned why there was an anticipated increase in revenue for bag sales in FY 2013. Manager Aspell replied that in FY 2012, the revenue had increased and the City used that figure to budget forward. However, as the economy slumps so does trash disposal.

Councilor McClure questioned whether other communities with similar PAYT programs use the incentive programs discussed earlier. Manager Aspell replied he was not aware of other communities doing anything differently than the City does. He reiterated the importance of finding some way to have these businesses carry the bags without hurting their bottom line.

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Councilor McClure followed up her question by asking if there was some way of comparing all the City's solid waste disposal costs with other communities, especially given the recycling costs. Manager Aspell discussed the difficulty with this because each community is unique in how they handle solid waste. Manager Aspell stated that he feels confident that given the information that has been received there will be systems/programs implemented to help the City reduce these costs. As there were no further questions, the Mayor opened a public hearing at 10:22AM. As there was no testimony, the public hearing was closed and a motion was made and seconded to tentatively approve the Solid Waste budget as proposed. The motion passed on a unanimous voice vote.

Arena: The Arena proforma was distributed. Manager Aspell indicated that revenues for FY 2013 are expected to come in on budget. Expenses are expected to come in over budget by less than 2% or \$10,000. Looking at the proforma, the FY 2013 budget had a planned net gain in working capital in the amount of \$26,595. The estimated net gain at this time is \$18,961. It is now projected that the year-end working capital will be \$184,005. For FY 2014, revenues are expected to decrease slightly by 2% or \$11,000, budget to budget; and appropriations are expected to increase 17% or \$93,000, mainly due to a cash transfer to the CIP. Within the appropriations – there are \$222,000 in planned capital improvements: \$173K to replace the roof membrane over the central portion of the curved roof and \$45K to repair/replace the hot water system. Looking at the projected ending working capital, the amount of \$106,707 is planned, which is above the City Council's specified goal.

The Mayor wanted to know if the non-ice rental revenues were for inside and outside the building. Manager Aspell replied that they were for inside and outside the building, i.e. the Kiwanis Fair. The Mayor stated that he would like to have a public discussion at some point regarding the use of the property because it is a very desirable location. He stated that he would like to see a fee structure that is equitable to all. Manager Aspell agreed stating that a new fee structure would have to be carefully considered.

Councilor Bouchard inquired as to the City's fee for the Capitol Street Farmer's Market, which is held on Saturday mornings. Manager Aspell did not know the exact fee but thought it was low due to it being held on the weekends and there is no parking enforcement. Councilor Blanchard wanted to know what the hot dog vendor on Main Street was charged for her space. Manager Aspell did not know, but stated that space would be part of the discussion.

As there were no further questions, the Mayor opened a public hearing at 10:31AM. As there was no testimony, the public hearing was closed and a motion was made and seconded to tentatively approve the Arena budget as proposed. The motion passed with a unanimous voice vote.

The City Manager reminded the Mayor that the compensation adjustment portion of the Miscellaneous budget needed approval. A motion was made and seconded to tentatively approve the Compensation Adjustment portion of the Miscellaneous budget as proposed. The motion passed with a unanimous voice vote.

The Mayor reminded everyone of the next regular City Council Meeting to be held on Monday, June 10th at 7:00PM. He noted that there would be a non-public session beginning at 6:15 PM. He also noted that the next Finance Committee meeting would be held on Monday, June 17th, at which time the Capital budget and Bonded Debt would be presented.

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With no other discussion, a motion was made and seconded to adjourn. The motion was passed with a unanimous voice vote.

The meeting was adjourned at 10:35 AM.

Respectfully submitted,

Gretchen Wood Administrative Assistant Finance – OMB Division